AMENDED IN SENATE JUNE 19, 2000 AMENDED IN SENATE JUNE 12, 2000 AMENDED IN SENATE JUNE 5, 2000 AMENDED IN ASSEMBLY JANUARY 13, 2000

CALIFORNIA LEGISLATURE-1999-2000 REGULAR SESSION

ASSEMBLY BILL

No. 683

Introduced by Assembly Member Wiggins (Principal coauthor: Senator Chesbro)

(Coauthor: Assembly Member Granlund)

February 23, 1999

An act to add Section 25241 to the Business and Professions Code, relating to alcoholic beverages.

LEGISLATIVE COUNSEL'S DIGEST

AB 683, as amended, Wiggins. Alcoholic beverages: tied-house restrictions labeling.

Under existing law, the Department of Alcoholic Beverage Control regulates the licensing, enforcement, and administration of the alcoholic beverage control laws.

This bill would prohibit the use of wine that is produced, bottled, labeled, packaged, offered for sale, or sold in this state if the wine uses a brand name or appellation that suggests that the wine is made from grapes grown in the Napa Valley, unless the wine qualifies for Napa Valley or Napa County appellation of origin.

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Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares that for more than a century, Napa Valley has been widely recognized for producing grapes and wine of the highest consumers and the wine quality. Both understand the name Napa County and the viticultural area appellations of origin contained within Napa County (collectively "Napa appellations") as denoting that the 8 wine was created with the distinctive grapes grown in 9 Napa Valley. The Legislature finds, however, that certain 10 producers are using Napa appellations on labels, on 11 packaging materials, and in advertising for wines that are 12 not made from grapes grown in Napa Valley, and that 13 consumers are confused and deceived by these practices. The Legislature further finds that legislation is necessary to eliminate these misleading practices. It is the intent of the Legislature to assure consumers that the wines 16 17 produced or sold in the state with brand names, packaging materials, or advertising referring to Napa 18 appellations in fact qualify for the Napa Valley or Napa 19 20 County appellation of origin.
- 21 SEC. 2. Section 25241 is added to the Business and 22 Professions Code, to read:
- 23 25241. (a) No wine produced, bottled, labeled. 24 packaged, offered for sale, or sold in California shall use, as a brand name or otherwise, on any label, packaging material, or advertising, any of the following names of 27 viticultural significance: 28
 - (1) Napa.
- 29 (2) Any viticultural area appellation of origin 30 established pursuant to Part 9 (commencing with Section 31 9.1) of Title 27 of the Code of Federal Regulations that is 32 located entirely within Napa County.
- 33 (3) Any similar name to those in paragraphs (1) or (2) 34 unless that label, packaging material, or advertising includes, and the wine qualifies under Section 4.25a of

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Title 27 of the Code of Federal Regulations for either of 2 the following:

- (A) A viticultural area appellation of origin that is Napa County, entirely within subject 5 compliance with Section 25240.
 - (B) The appellation of origin Napa County.

This subdivision does

Notwithstanding the above, this subdivision shall not grant any labeling, packaging, or advertising rights that are prohibited under federal law or regulations.

(b) The appellation of origin required by this section shall meet the legibility and size-of-type requirements set 13 forth in either Section 4.38 or Section 4.63 of Title 27 of the 14 Code of Federal Regulations, whichever is applicable. 15 However, any name of viticultural significance that is also 16 the post office address of the bottling or producing winery or of the permittee responsible for the advertising may 18 appear as part of the address required by Sections 4.35 and 4.62 of Title 27 of the Code of Federal Regulations or 20 as part of any factual, nonmisleading statement as to the history or location of the winery.

(c)

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- (c) Notwithstanding subdivision (a), any name 24 viticultural significance may appear either as part of the 25 address required by Sections 4.35 and 4.62 of Title 27 of 26 the Code of Federal Regulations, if it is also the post office address of the bottling or producing winery or of the permittee responsible for the advertising, or as part of any 29 factual, nonmisleading statement as to the history or 30 location of the winery.
- (*d*) The department may suspend or revoke 32 license of any person who produces or bottles wine who violates this section. Following notice of violation to the 34 person in possession of the wine and a hearing to be held 35 within 15 days thereafter, if requested by any interested 36 party within five days following the notice, department may seize wine labeled or packaged in violation of this section regardless of where found, and may dispose of the wine upon order of the department.

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- time of notice until the departmental 1 From the
- determination, the wine shall not be sold or transferred.
- (d)
- 4 (e) This section applies only to wine that is produced, 5 bottled, —labeled, or packaged or labeled after January 1,